

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Crim. No.
 :
 JEFFREY KAHN : 18 U.S.C. § 1343
 : 18 U.S.C. § 1957
 : 18 U.S.C. § 2

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark,
charges as follows:

COUNTS ONE THROUGH SIX
(Wire Fraud)

Background

1. At all times relevant to this Indictment:
 - a. Defendant Jeffrey Kahn (“KAHN”) resided in or around Ridgewood, New Jersey. KAHN owned and operated Kahn Advisors, LLC, a purported financial services corporation with an incorporation address in Ridgewood, New Jersey (“Kahn Advisors”).
 - b. KAHN maintained bank accounts in his own name at Bank 3 (the “KAHN Bank Accounts”).
 - c. KAHN maintained bank accounts in the name of Kahn Advisors at Banks 3 and 5 (the “Kahn Advisors Bank Accounts”).
 - d. “Individual 1” was a purported loan broker who claimed to be able to procure high value loans for individuals who lacked sufficient collateral to obtain traditional financing. In reality, the name used by Individual 1 was an alias,

and Individual 1 was located outside the United States.

e. “Lender 1” was a purported private lending company owned and operated primarily by Individual 1. Individual 1 provided KAHN with documentation indicating that Lender 1 had an office in Teaneck, New Jersey.

f. “Victim 1” was a resident of Louisiana and the owner and operator of “Company 1,” which had a principal place of business in Louisiana.

g. “Victim 2” was a resident of Georgia and the owner and operator of “Company 2,” which had a principal place of business in Georgia.

h. “Victim 3” was a resident of California and the operating manager of “Company 3,” which had a principal place of business in California.

i. “Victim 4” was a resident of Maryland and the owner and operator of “Company 4,” which had a principal place of business in Maryland.

j. “Victim 5” was a resident of Virginia and a business partner of Victim 4.

k. “Victim 6” was a resident of Virginia and a business associate of Victim 4.

l. “Sub-broker 1” was a loan broker with a principal place of business in South Carolina who referred clients seeking loans for their business projects to KAHN.

m. “Sub-broker 2” was a loan broker with a principal place of business in Texas who referred clients seeking loans for their business projects to KAHN.

n. “Bank 1” was a financial institution, as defined by Title 18,

United States Code, Section 20, with accounts insured by the Federal Deposit Insurance Corporation (“FDIC”) and headquarters in Columbus, Georgia.

o. “Bank 2” was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the FDIC and headquarters in Sandusky, Ohio.

p. “Bank 3” was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the FDIC and headquarters in New York, New York.

q. “Bank 4” was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the FDIC and headquarters in Fairfax, Virginia.

r. “Bank 5” was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the FDIC and headquarters in Morristown, New Jersey.

s. “Credit Union 1” was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the National Credit Union Administration (“NCUA”) and headquarters in Vienna, Virginia.

t. “International Bank” was a British multinational bank with its headquarters in London, England.

The Scheme to Defraud

2. From in or around March 2018 through in or around March 2020, in the District of New Jersey and elsewhere, the defendant,

JEFFREY KAHN,

did knowingly and intentionally devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce writings, signs, signals, and sounds, as more fully set forth below.

Goal of the Scheme

3. The goal of the scheme was for KAHN to enrich himself by making, and causing others to make, material misrepresentations and omissions to fraudulently induce victims to pay large sums of money to KAHN and others for the purpose of securing financing for the victims' business projects, and then misappropriating significant portions of the victims' money for KAHN's personal use, and to pay back other victims.

Manner and Means of the Scheme

4. It was part of the scheme to defraud that:

a. KAHN made numerous material misrepresentations to victims to induce them to send payments to bank accounts, including the Kahn Advisors Bank Accounts. KAHN characterized the payments as, among other things, insurance premium payments, advance fees, or taxes. Victims sent the payments at

KAHN's direction in exchange for a promise of financing for the victims' business projects.

b. KAHN misappropriated a substantial portion of the money he received from the victims and never provided the victims with the promised financing.

c. To induce victims to pay money to KAHN for the purpose of securing financing for the victims' business projects, KAHN misrepresented to certain victims that he had conducted multiple successful financial transactions through Individual 1 and/or Lender 1. In reality, KAHN never obtained any financing from Individual 1 or Lender 1. Despite this, KAHN caused millions of dollars of victim funds to be transferred to accounts that Individual 1 directed KAHN to have money sent to, including accounts located outside the United States.

d. Even after KAHN received information which indicated that Individual 1 was not a legitimate lender, KAHN continued to misrepresent to victims that he had conducted multiple successful business transactions through Individual 1 and/or Lender 1. KAHN further continued to cause victims to collectively transfer millions of dollars to bank accounts controlled by KAHN, or that Individual 1 directed KAHN to have money sent to, in exchange for a promise to secure financing for the victims' business projects through Lender 1, Individual 1, and/or other individuals or entities affiliated with Individual 1.

e. For example, despite receiving information from a business associate in or around January 2018 that suggested that Individual 1 was not a legitimate lender, KAHN sent a text message to Victim 1 on or about March 28,

2018 that falsely stated that KAHN had previously done 17 financing deals with Individual 1. After receiving this message, Victim 1 sent hundreds of thousands of dollars to bank accounts identified by KAHN, including one of the Kahn Advisors Bank Accounts, for the purpose of securing millions of dollars of financing through Individual 1. That financing never materialized.

f. KAHN also caused others, including Sub-broker 1 and Sub-broker 2, to make misrepresentations to victims regarding their purported successful financing deals with KAHN and/or Individual 1.

g. For example, in or around March 2019, KAHN coerced Sub-broker 2, whose clients had previously invested money with KAHN for the purpose of obtaining financing that had yet to materialize, into making misrepresentations to certain victims regarding Sub-broker 2's prior business dealings with KAHN, including misrepresentations by Sub-broker 2 to Victim 4 and Victim 5 that Sub-broker 2 had previously successfully secured \$2.5 million in funding for one of Sub-broker 2's client through KAHN.

h. Based in part on these misrepresentations made by KAHN and Sub-broker 2 regarding KAHN's purported prior successful financings, Victim 4, Victim 5, and others, including Victim 6, pooled their finances, and on or about March 25, 2019, Victim 4 caused approximately \$861,000 to be wired from an account in the name of Company 4 to one of the Kahn Advisors Bank Accounts. In return, KAHN promised the victims (1) that this money would be used to secure the release of approximately \$24.6 million that was purportedly obtained by KAHN through Individual 1 and/or his affiliate(s) and held for the benefit of KAHN in an

account with International Bank; and (2) that KAHN would ultimately deliver approximately \$62 million in financing to Victim 4 and his business associates.

i. In or around May 2019, Company 4, Victim 6, and others transferred additional funds after KAHN informed them that he needed more money to cover purported foreign export taxes and fees that were necessary to secure the release of the \$24.6 million. KAHN requested these additional funds even after being made aware in or around April 2019 by Sub-broker 2 and others that the Individual 1 affiliate that he'd been corresponding with about the \$24.6 million appeared to have been previously charged with conspiracy to commit wire fraud, and that the United States branch of International Bank had said that International Bank does not ask for upfront fees before releasing financing amounts, suggesting that this was part of a fraudulent scheme.

j. In or around September 2019, when the financing still did not materialize, Victim 4 travelled with KAHN to London to visit International Bank and inquire about the status of the funds. At that time, KAHN and Victim 4 were informed by a bank representative that there was no bank account with \$24.6 million held for the benefit of KAHN at International Bank and that KAHN was likely the victim of a fraud.

k. Despite again being on notice that Individual 1 and Individual 1's affiliates were not legitimate lenders, KAHN continued to solicit additional funds from victims in furtherance of the fraudulent scheme. For example, in or around November 2019, Victim 3 transferred \$50,000 to one of the Kahn Advisors Bank Accounts after KAHN represented to Victim 3 that the funds would be used as

an insurance premium payment that was necessary to secure approximately \$1 million in financing for Victim 3's business project.

1. KAHN further misrepresented to certain victims that the money they sent to KAHN and/or Kahn Advisors would continue to be held upon receipt by KAHN until the victims provided their consent to the release of the funds.

m. In fact, KAHN caused the victims' funds to be transferred to other accounts, including the Kahn Advisors Bank Accounts, without the victims' prior consent, and then used portions of those amounts to pay for KAHN's personal expenses, and to pay back other victims of the fraudulent scheme.

n. KAHN provided the victims with various excuses for why they had not received their promised financing or the return of their fees and payments made to secure the financing.

o. None of the victims received financing from KAHN or Individual 1 as promised and very few victims were able to recoup the payments made by them to KAHN.

p. As a result of the scheme, KAHN caused the victims to transfer more than approximately \$5 million in funds to accounts controlled by KAHN or that Individual 1 directed KAHN to send money to. KAHN misappropriated at least approximately \$800,000 of those funds for his own personal benefit, and used an additional portion of those funds, at least approximately \$440,000, to pay back other victims of the scheme.

5. From at least in or around March 2018 through in or around March 2020, in Bergen County, in the District of New Jersey and elsewhere, the defendant,

JEFFREY KAHN,

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, the following writings, signs, signals, pictures, and sounds, as set forth more fully below, each such wire transmission constituting a separate count of this Indictment:

Count	Approximate Date	Description
1	February 27, 2019	Electronic transfer of \$60,000 from a Bank 1 account in the name of Company 2 ending in x0388 to a Bank 2 account ending in x5013, resulting in an interstate wire transmission.
2	March 25, 2019	Electronic transfer of \$861,000 from a Bank 4 account in the name of Company 4 ending in x2583 to a Bank 3 account in the name of Kahn Advisors ending in x1162, resulting in an interstate wire transmission.
3	May 24, 2019	Electronic transfer of \$50,000 from a Credit Union 1 account in the name of Victim 6 ending in x8708 to a Bank 3 account in the name of Kahn Advisors ending in x1162, resulting in an interstate wire transmission.
4	May 29, 2019	Electronic transfer of \$100,000 from a Bank 4 account in the name of Company 4 ending in x2583 to a Bank 3 account in the name of Kahn Advisors ending in x1162, resulting in an interstate wire transmission.
5	November 6, 2019	Electronic transfer of \$42,000 from a Bank 3 account in the name of Victim 3 d/b/a Company 3 ending in x6911 to a Bank 5

		account in the name of Kahn Advisors ending in x0831, resulting in an interstate wire transmission.
6	November 7, 2019	Electronic transfer of \$8000 from a Bank 3 account in the name of Victim 3 d/b/a Company 3 ending in x6911 to a Bank 5 account in the name of Kahn Advisors ending in x0831, resulting in an interstate wire transmission.

All in violation of Title 18, United States Code, Section 1343 and Section 2.

COUNT SEVEN
(Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity)

1. The allegations set forth in paragraphs 1 through 4, including all subparagraphs, of Counts One through Six of this Indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about November 8, 2019, in the District of New Jersey and elsewhere, the defendant,

JEFFREY KAHN,

did knowingly engage and attempt to engage, and cause and aid and abet others in engaging, in a monetary transaction in criminally derived property that was of a value greater than \$10,000, that is, a wire transfer of \$15,000 from a Bank 5 account in the name Kahn Advisors ending in x0831 to a Bank 5 account in the name Kahn Advisors ending in x0815, such property having been derived from specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATION AS TO COUNTS ONE THROUGH SIX

1. Upon conviction of the offenses in violation of 18 U.S.C. § 1343, as charged in Counts One through Six of this Indictment, defendant **JEFFREY KAHN** shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, the defendant obtained that constitutes or is derived from proceeds traceable to the commission of such offenses, and all property traceable to such property.

FORFEITURE ALLEGATION AS TO COUNT SEVEN

2. As a result of committing the money-laundering offense charged in Count Seven of this Information, defendant **JEFFREY KAHN** shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1), all property, real and personal, involved in such money laundering offense, and all property traceable to such property.

Substitute Assets Provision
(Applicable to All Forfeiture Allegations)

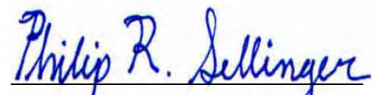
3. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

A TRUE BILL

FOREPERSON


PHILIP R. SELLINGER
United States Attorney